

REMARKS

This paper is being provided in response to the Office Action dated October 14, 2010, for the above-captioned patent application. In this response, Applicants have amended claims 1, 6, 26, 34, 44 and 46 to clarify that which Applicants consider to be the presently-claimed invention. Applicants respectfully submit that the amendments to the claims are fully supported by the originally-filed specification, consistent with the discussion herein.

The rejection of claims 1, 4-22 and 26-48 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,970,850 to Freeny, Jr. (hereinafter "Freeny") in view of U.S. Patent No. 5,914,472 to Foladare (hereinafter "Foladare") is hereby traversed and reconsideration is respectfully requested in view of the amendments to the claims contained herein.

Independent claim 1, as amended herein, recites a network enabled online transaction risk management system. At least one financial services server is provided for processing a financial transaction request received over said network for at least one customer account, wherein customer preferences for said at least one customer account are remotely configurable over said network. At least one client is in processing communications with said at least one financial services server over said network, wherein the at least one client includes a section for remote configuration of said at least one customer account using the customer preferences. At least one point of sales terminal in processing communications with said at least one financial services server, wherein the at least one point of sales terminal includes a section for performing said financial transaction with said financial services server. A notification section sends a notification to the at least one customer if a characteristic of the financial transaction exceeds a

first preference of the customer preferences and does not exceed a second preference of the customer preferences. An authorization section sends an authorization request to said at least one customer if the characteristic of said financial transaction exceeds the second preference of said customer preferences and the authorization section determines whether the financial transaction is a transaction that is suitable to continue for authorization, wherein if the characteristic of the financial transaction exceeds the first preference and does not exceed said second preference, the notification is sent and the financial transaction is processed, and wherein if the characteristic of the financial transaction exceeds the second preference and is determined to be suitable to continue for authorization, the authorization request is sent and the financial transaction is not completed unless a response to the authorization request is received. Claims 4-22 depend directly or indirectly from independent claim 1.

Independent claim 26, as amended herein, recites a method for reducing financial transaction risk. The method includes establishing networking communications between a client and a financial services server by at least one customer, wherein said financial services server is in processing communications with at least one point of sale terminal. An account is accessed on said financial services server owned by said at least one customer. Customer preferences are entered, wherein the customer preferences are remotely configurable over a network. A characteristic of a financial transaction received from said at least one point of sales terminal is compared to said customer preferences. A notification is sent to said at least one customer if said financial transaction characteristic exceeds a first preference of said customer preferences and does not exceed a second preference of said customer preferences. An authorization request is sent requesting authorization of said at least one customer if said financial transaction

characteristic exceeds the second preference of said customer preferences and is determined to be a transaction that is suitable to continue for authorization, wherein if the characteristic of the financial transaction exceeds the first preference and does not exceed said second preference, the notification is sent and the financial transaction is processed, and wherein if the characteristic of the financial transaction exceeds the second preference and is determined to be suitable to continue for authorization, the authorization request is sent and the financial transaction is not completed unless a response to the authorization request is received. Claims 27-43 depend directly or indirectly from independent claim 26.

Independent claim 44, as amended herein, recites a non-transitory computer readable medium storing software for reducing financial transaction risk. The software includes executable code that establishes networking communications for at least one customer between a client and a financial services server, wherein the financial services server is in processing communications with at least one point of sale terminal. Executable code is provided that accesses an account on the financial services server owned by the at least one customer. Executable code is provided that enters customer preferences, wherein the customer preferences are remotely configurable over a network. Executable code is provided that compares a characteristic of a financial transaction received from the at least one point of sales terminal to the customer preferences. Executable code is provided that sends a notification to the at least one customer if the financial transaction characteristic exceeds a first preference of the customer preferences and does not exceed a second preference of the customer preferences. Executable code is provided that sends an authorization request requesting authorization of the at least one customer if the financial transaction characteristic exceeds the second preference of the customer

preferences and is determined to be a transaction that is suitable to continue for authorization, wherein if the characteristic of the financial transaction exceeds the first preference and does not exceed said second preference, the notification is sent and the financial transaction is processed, and wherein if the characteristic of the financial transaction exceeds the second preference and is determined to be suitable to continue for authorization, the authorization request is sent and the financial transaction is not completed unless a response to the authorization request is received. Claims 45-48 depend directly or indirectly from independent claim 44.

Freeny discloses a proximity service provider system (PPS) for providing proximity services. The system comprises a plurality of proximity service systems 3 (e.g., POS stations, ATMs, gas pumps etc.) users 15, owners 10, maintenance operators 20, financial services 40 and a PSPS website 30. The users 15, owners 10, operators 20, financial services 40 and proximity service systems 3 are connected to a communications network through which they may access the PSPS website 30. (Fig. 1, col. 10, lines 1-47). Once a user 15 is granted access to PSPS website 30, the user 15 can access their proximity service data, service payment choices and require reports from their private database (col. 12, lines 33-45). The user 15 can put limits on their account, and the user's card associated with the account becomes invalid when received services exceed predetermined amounts. The Office Action (page 2) indicates that Freeny does not disclose features of customer preferences including notification and authorization methods and in which an authorization request is sent to at least one customer if a characteristic of the financial transaction exceeds the customer preferences.

Foladare discloses a credit card spending authorization control system. The Office Action cites principally to Figure 1 of Foladare. In step 112 of Fig. 1, a central computer initiates contact with an account holder (e.g., a parent) if an ancillary card (e.g., a child's card) transaction amount exceeds a predetermined account holder spending limit. In step 114, when contact of the central computer is established with the account holder, the central computer transmits display or voice request informing the account holder that a transaction of the ancillary card has exceed the predetermined spending limit and requests approval/refusal from the account holder for the requested transaction.

Applicants have amended the claims herein to clarify feature involving notification and authentication of financial transactions according to specified customer preferences. Specifically, Applicants recite at least the features of sending a notification to said at least one customer if said financial transaction characteristic exceeds a first preference of said customer preferences; and sending an authorization request requesting authorization of said at least one customer if said financial transaction characteristic exceeds a second preference of said customer preferences, wherein the financial transaction is not completed unless a response to the authorization request is received. The recited system provides for a customer to set preferences, that are remotely configurable over a network, in which the customer may be notified (via the sending of a notification) automatically if a first preference (e.g., a transaction limit) is exceeded and is a second preference is not exceeded; and may be automatically sent an authorization request if a second preference (e.g., an authorization limit) is exceeded and the transaction is determined as a suitable transaction to continue for authorization. If the characteristic of the financial transaction exceeds the first preference and does not exceed said second preference, the

notification is sent and the financial transaction is processed, and wherein if the characteristic of the financial transaction exceeds the second preference and is determined to be suitable to continue for authorization, the authorization request is sent and the financial transaction is not completed unless a response to the authorization request is received. (See, e.g., page 5, line 24 to page 6, line 11 of the originally-filed specification.) The recited system advantageously reduces financial risk and may flexibly alert a customer to fraudulent transactions in the event that the customer's account is compromised and/or provide a customer with greater control over security of financial transactions. (See, e.g., page 2, lines 18-25 and page 3, lines 26-35 of the originally-filed specification.)

Applicants respectfully submit that the cited prior art references do not teach or fairly suggest at least the above-noted features as recited by Applicants. As discussed in the Office Action (page 3), Freeny does not disclose features involving notification sending notification or authorization requests to a customer in connection with financial transaction characteristics and exceeding customer preferences. The Office Action then cites to disclose in Foladare in connection with an approval/refusal request required from an account holder in the event a predetermined spending limit of an ancillary card transaction is exceeded, as noted above.

Applicants submit, however, that Foladare does not disclose the presently-recited features of Applicants' claimed invention which provides for use of multiple customer preference levels that determine the sending of a notification to the customer or the sending of an authorization request to the customer that requires a response from the customer in order for the transaction to be completed. Applicants recite features involving first and second preferences of entered

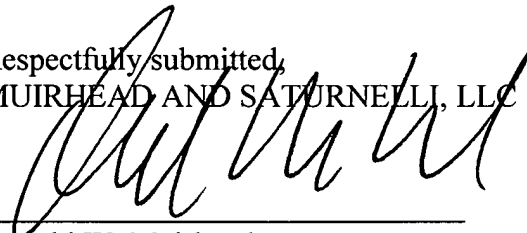
customer preferences, against which a characteristic of the financial transaction is compared to determine the sending of notifications or authorizations requests to the customer. In particular, Applicants recite features for determining actions, such as notification or authorization, depending on particular tiers of customer preferences. If the characteristic of the financial transaction exceeds the first preference and does not exceed said second preference, the notification is sent and the financial transaction is processed, and wherein if the characteristic of the financial transaction exceeds the second preference and is determined to be suitable to continue for authorization, the authorization request is sent and the financial transaction is not completed unless a response to the authorization request is received.

In contrast, Foladare discloses only the determination of whether a predetermined spending limit has been exceeded. There are no distinct determinations made in Foladare concerning whether to send a notification but let the transaction continue or send an authorization and await a response, in connection with first and second preferences of the customer. Accordingly, Foladare's system does not provide the security versatility provided by Applicants' recited features. For example, in Figure 1, cited by the Office Action, Foladare explicitly discloses letting a transaction continue unless a predetermined spending level is reached and, if the predetermined spending level is exceeded, the account holder is contacted to for approval or denial of the transaction. Foladare is silent as to creating preference tiers, using, for example, first preferences and second preferences, for causing specific actions such as notification or authorization requests like that recited by Applicants. In addition, referring to claims 6, 34 and 46, Foladare further does not disclose determining actions in connection with the financial transaction depending on a level defined by a third preference.

Accordingly, Applicants respectfully submit that Freeny and Foladare, taken alone or in any combination, do not teach or fairly suggest at least the above-noted features as recited by Applicants. In view of the above, Applicants respectfully request that the rejection be reconsidered and withdrawn.

Based on the above, Applicants respectfully request that the Examiner reconsider and withdraw all outstanding rejections and objections. Favorable consideration and allowance are earnestly solicited. Should there be any questions after reviewing this paper, the Examiner is invited to contact the undersigned at 508-898-8603.

Respectfully submitted,
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